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Reach4Entertainment Enterprises plc  
31 January 2019

**reach4entertainment enterprises plc**  
**(“r4e” or “the Company” or “the Group”)**

**Year-end trading update**

reach4entertainment enterprises plc, the entertainment marketing communications group, is pleased to provide the market with a trading update for the year ended 31 December 2018.

**Highlights:**

- Group expects to report full year adjusted EBITDA significantly ahead of expectations
- Greater collaboration and integration of agency activities on a global basis has improved synergies and driven profitability
- Dewynters is expected to report growth in revenues and underlying margins, benefiting from restructuring that took place in 2017, an improved sales mix, and strong trading the second half of the year
- SpotCo’s operations have stabilised under a new management team, with cost savings achieved leading to improved margins and absolute levels of profitability
- Story House broke even during its first five months of operation, ahead of schedule, whilst Wake the Bear made good early progress in attracting marquee clients
- Strong year-end balance sheet with net cash of £1.6 million (£3.65 million of debt and £5.2 million of Group cash, with significant additional headroom under the PNC financing facility)

2018 was a year of considerable progress for the Group after the strategic overhaul of its core operations, which has led to an improvement in performance and profitability. As such, the Group expects full year adjusted EBITDA to be significantly ahead of expectations.

Dewynters continued to build its leading position in live entertainment marketing by representing the biggest names in the industry, including the Royal Shakespeare Company and Disney Theatrical Productions. Outside of theatre, Dewynters also won mandates for the launch of the permanent Body Worlds exhibit in Central London and the Goodwood Festival. The business had a strong second half to the year which, on top of a real drive to control overheads, made a significant impact on profit compared to the prior year.

Within the Group’s core businesses, SpotCo underwent a number of structural changes to improve client servicing and win new contracts to support longer term growth. Major shows worked on during the year included Book of Mormon, Kinky Boots, Lincoln Center Theatre and Mean Girls. In H2 2018, SpotCo also began working on King Kong, Pretty Woman and To Kill A Mockingbird. All three of these new clients are open-ended productions and therefore should continue to deliver revenues into 2019.

The Group’s strategic objective to develop a pipeline of new opportunities, both within and outside the live entertainment sector, has also begun to bear fruit. During 2018, the Group successfully launched Wake the Bear, a strategy led marketing communications agency, Story House, the theatre and live entertainment PR agency and Dewynters Amsterdam, a joint venture to address the Dutch live



entertainment and theatrical industries. The Group is pleased to report that Story House's operations broke even ahead of schedule during 2018 after winning seven West End and World touring clients. Wake the Bear won a number of client mandates during the year and has reduced its cash burn ahead of forecast. Dewynters Amsterdam has been able to grow its client base beyond its initial launch client and is on track against expected performance.

#### 2019 Outlook

Momentum within the Group's core business has continued into 2019. SpotCo is currently working on eight open-ended shows which are scheduled to run through the year and five new productions which the agency expects to begin marketing and advertising during 2019 prior to launching in 2020. The new shows include amongst others Almost Famous and Magic Mike. SpotCo also recently won Tootsie from a leading competitor, which is testament to the calibre of the new management team.

Dewynters is scheduled to launch four major West End musicals, including two of the largest shows to transfer from Broadway this year in Dear Evan Hansen and Waitress. The team is also due to commence marketing the UK premiere of Mamma Mia! The Party, which is a new immersive theatre experience.

In line with the strategy to develop commercial opportunities beyond theatre, the Group recently completed the acquisition of a 50% interest in Buzz 16 Productions, which creates both short and long form sports orientated content. The partnership, which sees the Group working with sports broadcaster, Gary Neville, will deliver a number of synergies, with r4e gaining exposure to the sports media sector and being able to assist Buzz 16 in the development of a marketing services offering.

As a result of the new client wins, a strong project pipeline across the Group and the recent acquisition of a 50% stake in Buzz 16 Productions, the board now expects full year profit for 2019 to be ahead of expectations.

**Marc Boyan, CEO of R4E, commented:** *"The Group has made strong progress during the year following a number of operational changes to the core business, which have led to improved margins and new client wins. At the same time, the strategy to diversify and build new lines of business is progressing well, following the successful launches of the new agencies during 2018, as well as the recent partnership with Buzz 16, which marks the Group's first major step to broaden its media and marketing communications capabilities beyond stage and theatre. This has put the business on a much stronger footing to grow organically and through selective earnings enhancing acquisitions during 2019 and beyond."*

*"The board is encouraged by the current outlook for the business and looks forward to updating investors on further progress throughout the year."*

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**Notes to Editors**

reach4entertainment enterprises plc (“r4e”) operates a collection of theatrical, film and live entertainment marketing, PR, advertising and display agencies, across the world. The Company uses its extensive experience in the live entertainments space to create value through investing in innovative and established agencies that provide communications services to a range of clients involved with theatre, film, concerts and more.

For further information on r4e you are invited to visit the Company's website at [www.r4e.com](http://www.r4e.com).

**Spot and Company of Manhattan, INC.**

A global leading full-service arts and live entertainment advertising and marketing agency. In an ever-changing media landscape, it stays ahead of the curve with a mix of bold positioning through interactive, broadcast, environmental and print campaigns.

<https://www.spotnyc.com>

**Dewynters Limited**

A leading independent arts, events and live entertainment marketing specialist. The agency's work in theatre, museums, attractions, sport and music is seen right across the globe.

<http://www.dewynters.com>

**Newman Displays Limited**

The UK's leading large-scale outdoor signage, front of house, marquee display and installation company. Clients include major West End theatre productions, leading film companies, cinemas and major global events.

<http://www.newman-displays.com>

**Wake the Bear Limited**

A marketing communications agency that supports businesses to invent, reposition and regenerate their brands in order to grow. The agency carries out brand strategy, communications planning and end-to-end activation.

<http://wakethebear.co.uk>



### **Story House PR Limited**

A new public relations agency for the theatre and live entertainment industries, operating in the UK and internationally. The agency crafts engaging campaigns for audiences, driven by strategy: the right channel, at the right time, with the right message. Fully integrating PR with paid media and social, ensuring all elements of a campaign are working together, Story House collaborates with its clients to ensure its work is dedicated to realising their ambitions.

[www.storyhousepr.co.uk](http://www.storyhousepr.co.uk)

### **Buzz 16 Productions**

Buzz 16 is an independent production company, which creates both short and long form sports orientated content. The Company was co-founded by former Manchester United player and respected broadcaster, Gary Neville, along with former Sky Sports Premier League producer, Scott Melvin.

<https://buzz16.uk>